



Kepler Cheuvreux BLINK User Guide

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BLINK™ Overview

BLINK offers access to the Cheuvreux Group's aggregated pool of liquidity. The liquidity originates from KeplerCheuvreux's diversified client base that is made up of sell-side, buy-side and alternative investors.

BLINK seeks to match buyers' and sellers' interests in a "dark" environment. BLINK is a "Dark Pool", as it relies on the "Reference Price waiver" described in the MiFID regulation, concerning its pre-trade transparency obligations.

BLINK will only offer resident orders, pegged to one of the three boundaries of the spread (best bid, midpoint, best offer) of a reference price, the Primary Market Reference Price.

BLINK will offer two separate order books, running on the same IT platform and sharing the same technology:

- A first order book dedicated to midpoint executions only ("Mid Peg order book")
- A second order book dedicated to best-bid/best-offer executions only ("Best Peg order book")

The orders will be routed to the correct order book depending on the peg chosen by the clients.

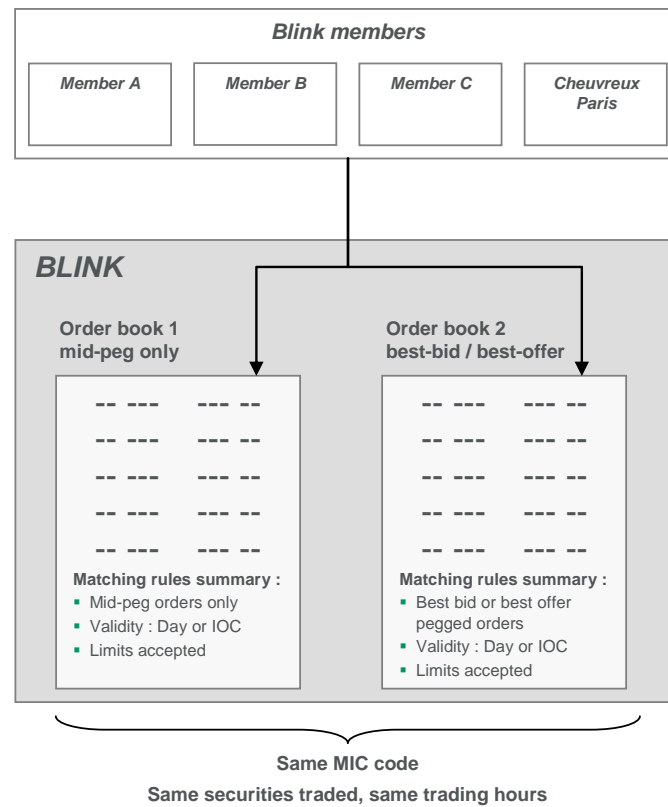
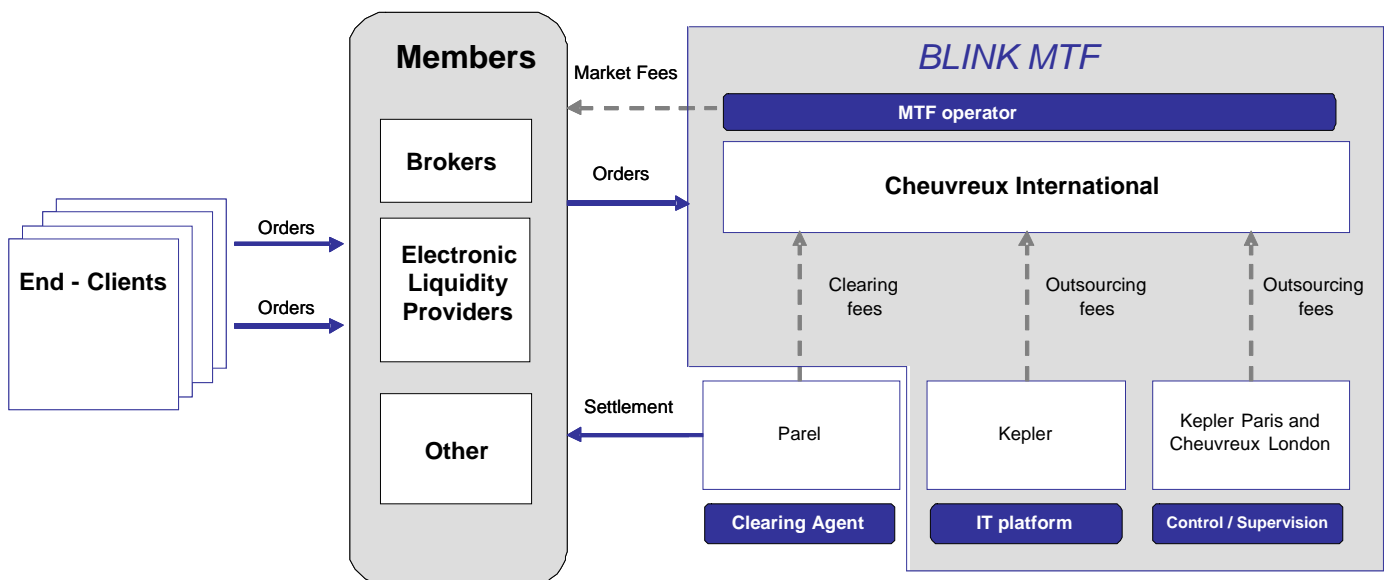
All trades are settled with Parel SA appointed Clearing & Settlement Agent, listed in the Appendix under Schedule A, and reported via the appointed Trade Reporting System listed in the Appendix under Schedule C

BLINK offers:

- **Neutrality:** BLINK is operated by Cheuvreux International Limited, a fully-owned subsidiary of the Kepler Cheuvreux Group, a global agency equity broker.
- **Anonymity:** BLINK allows clients to enter large orders into the system without revealing their intentions to the market as a whole.

Cheuvreux International Limited (authorised and regulated by the Financial Conduct Authority ("FCA")) is authorised by the FCA to operate a Multilateral Trading Facility (MTF).

A high-level description of the workflow and the main players involved is shown on the next page.


BLINK matching overview

BLINK main players overview

I. Stock Universe

All ESMA shares listed on EEA-regulated markets are eligible to be matched/traded within BLINK. The file of the tradable universe of stocks for the day is made available via FTP to the Market Members before 6am GMT every morning.

II. Market Code

Blink MTF MIC Code is BLNK

III. Trading Schedule (GMT time)

	00:00-07:30		08:05 – 16:25 (16:15 for Swiss)		16:30-23:59
BLINK Operating Hours	Closed	Closed	Open for receiving FIX messages	Closed	Closed
Primary Market trading Hours	Closed	Opening Auction		Closing Auction	Closed
BLINK Matching Process	Closed	Closed	Continuous Trading/Matching	Closed	Closed

BLINK stocks are tradable in accordance with the calendar in force on the regulated market where the stock is primarily listed.

Note: The Swiss market closes at 16:20; therefore, BLINK will close on Swiss stocks at 16:15.

BLINK stocks are closed for trading when there is a regulatory suspension or an intraday auction on the Primary Listing Market.

IV. Tick Size

The tick size of BLINK will be the half of the tick size of the Primary Market used for the determination of the Reference Price. Thus the matching at mid point will always be possible.

Tick sizes are communicated in the trading file available on the FTP server.

V. Reference Price

Orders for a particular instrument will be submitted for crossing at one of the following reference prices derived from the central limit order book of the primary regulated market where the share is admitted for trading. The relevant regulated markets will be the main European markets.

- The best bid on the primary market – the highest binding bid price of the primary regulated market
- The best offer on the primary market – the lowest binding offer price of the primary regulated market
- The midpoint between the best bid and best offer of the primary regulated market.

The primary market of an instrument is the market of listing of this instrument.

VI. Matching Rules

1. Order Types

BLINK offers only resident orders, pegged at one of the three boundaries of the Reference Price:

- Touch Peg
- Mid Peg
- Best Opposite Peg

Two "Time in Force" options are available:

- Good for Day (not available for Best Opposite Peg)
- Immediate or Cancel

Two options will be accepted:

- Minimum execution quantity
- Limit price

The effect of a limit on the order will be to prevent the order from executing above or below the specified limit price. The limit does not allow an order to execute at a price that is different from the specified reference price.

Orders are routed to the correct order book depending on the chosen peg:

- Touch Peg, Best Opposite Peg → Best Peg order book
- Mid Peg → Mid Peg order book

2. Matching rules

i. Orders

Price Time Priority.

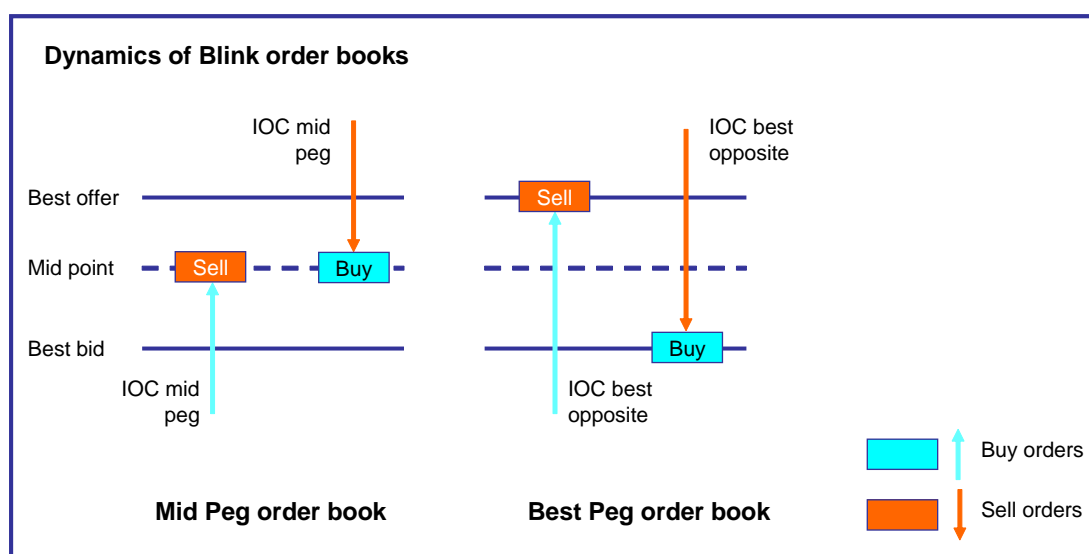
All orders are deterministic, i.e. all orders will enter BLINK with instructions to execute at a predefined point, whether Best Bid, Best Offer or Mid Point.

Mid-point orders will only interact with other orders entered for crossing at the mid-point reference price.

Best-bid orders will only interact with sell orders entered for crossing at the best-bid reference price; and best-offer orders will only interact with buy orders entered for crossing at the best-offer reference price.

Type of order	Buy/Sell	Order book to which Blink routes the order	Execution Price, if any	Options
Touch Peg	Buy	Best Peg order book	Best Bid of Primary Market	<ul style="list-style-type: none"> Time in Force: Day/IOC Limit Optional
	Sell		Best Offer of Primary Market	
Mid Peg	Buy or Sell	Mid Peg order book	Mid Point of Primary Market	
Best Opposite Peg	Buy	Best Peg order book	Best Offer of Primary Market	<ul style="list-style-type: none"> Time in Force : IOI only Limit accepted
	Sell		Best Bid of Primary Market	

The description of matching in BLINK is illustrated below:



A Mid Peg order can only match at mid-peg and a Best Opposite order can only match with a touch peg order. (Best Opposite orders can only be IOC orders.)

ii. Limits

The crossing system will allow trading participants to protect themselves by limiting the absolute price level at which they are willing to buy or sell shares. This feature allows participants to withdraw an order from crossing in the event that the reference price moves above (or below) the price at which they are willing to trade. Participants can place a price cap (for a buy order) or a price floor (for a sell order) on the order submitted for crossing. Participants do not have to specify a limit price.

During continuous crossing, each reference price will change as the market changes. The effect of an order limit will be to prevent the order from executing above or below the specified limit price. The limit does not allow an order to execute at a price that is different from the specified reference price.

VII. Confirmation Arrangements

1. Confirmation at the execution level

Members will receive a real-time FIX Execution Report for each partial execution that occurs against their order.

2. Confirmation at the trade level

BLINK's Clearing and Settlement Agent is the counterparty to all transactions.

When two members' orders are matched within BLINK, BLINK will novate the trade to the appointed clearing and settlement agent, guaranteeing anonymity on the platform.

Settlement takes place in the quoted currency of the stock traded. Rights associated with the shares mirror those on the Primary Listing Market for the security at the time of the trade. The appointed Clearing and Settlement Agent accepts no responsibility for the allocation of rights associated with a share. The standard domestic settlement location and cycle will be used.

The Clearing and Settlement Agent, as a counterparty to all trades carried out within BLINK, is able to offer two types of settlement aggregation to Members:

- **Order-level aggregation** will ensure that the Clearing and Settlement Agent only sends one trade confirmation to the Member per order submitted. This confirmation will be generated once the order is fully filled, cancelled or expires, and will represent the aggregate trade position (total volume, average price) of all fills against that order. This is the default setting for aggregation. On request, the Member may receive this trade confirmation at the end of the day on which the order in question is fully filled, cancelled or has expired.
- **Bilateral, directional aggregation** is a process to aggregate all trades per Member, per stock, per day and per side. The Member would receive a maximum of two aggregated trade confirmations per stock, per day – one buy and one sell. This type of aggregation is available upon request by the Member to the Clearing and Settlement Agent. Requests should be made in writing to:
cynthia.clement@keplercm.com

Members can choose one of three confirmation options for their trades with the Clearing and Settlement Agent:

1. Not to receive any confirmation, or
2. Receive a file via FTP at the end of day, or
3. Receive confirmations via ETC.

VIII. Settlement Arrangements

1. Aggregation process

Aggregation affords processing savings to BLINK participants. Rather than settling multiple trade-for-trade instructions with each individual counterparty, BLINK Clearing and Settlement Agent will settle optimally one instruction per ISIN, side, currency and trade date.

For each member, the aggregated positions by instrument and by side are calculated at the end of the trading day by aggregating the buy transactions and the sell transactions for the same instrument and the same currency.

2. Settlement

After the aggregation process is completed at the end of the trading day, the BLINK Clearing and Settlement Agent creates and sends settlement instructions to settlement agents.

Settlement is always carried out at the local Central Securities Depository (CSD) of the securities' place of settlement. Aggregated settlements are treated as OTC transactions in the local CSDs.

Regular DVP/RVP instructions are generally communicated to the CSD. This means that both the BLINK Clearing and Settlement Agent and the Member must send settlement instructions to the CSD. These instructions therefore have to match in order to settle.

Members can ask for a specific report to be set up at the settlement level.

IX. Regulatory Trade Reporting

Crédit Agricole Cheuvreux International Limited – BLINK – will be responsible for publishing details of all trades carried out within the system. All transactions will be reported through the appointed Trade Reporting system listed in the Appendix under Schedule C using the MIC Code [BLNK].

1. PTM Levy

A Member is liable for the payment of The Panel on Takeovers and Mergers levy ("PTM Levy") on behalf of itself or on behalf of its clients in respect of certain transactions in securities where the PTM Levy is applicable. It is the obligation of the Member to determine whether the PTM Levy is applicable, and also the rate at which it is payable. The current levy rate is available on the Fees and Charges section of The Takeover Panel's website: <http://www.thetakeoverpanel.org.uk/>.

X. Error Trades & Cancellations

Where a Member believes that a trade has occurred in error, they may request a cancellation from BLINK by calling Trading Support (see Support Contacts on page 3). For example, such a request may be necessary as a result of incorrect or unintentional order entry, or an order sent at a price that is substantially removed from, or materially inconsistent with, the current Primary Market price at the time of execution.

Upon receipt of a request by telephone, followed by a written confirmation by e-mail, plus completion and submission of the Cancellation Request Form (see Schedule E), BLINK Trading Support will request the cancellation from the trade counterparty (preserving anonymity) and cancel the trade if agreed. A request for review of a trade to be cancelled must be made within 30 minutes of execution; requests received after 30 minutes will not be eligible for review.

In the event of one of the parties not agreeing to cancel the trade, BLINK Trading Support will review the transaction using external information (Market Data, Corporate Actions, Spread, etc.) and make a final decision within two hours of the request and no later than 30 minutes after the Primary Market's closing time. The decision from BLINK Trading Support is final and not subject to appeal.

A trade can only be cancelled with the consent of the parties to the transaction or at the sole discretion of Crédit Agricole Cheuvreux International Limited.

BLINK Trading Support may determine that one or more trades executed within the system are Clearly Erroneous. After informing both Members involved in the trade, Trading Support will cancel the erroneous trade.

XI. Co-hosting

Members of BLINK may further reduce their latency for access to BLINK by co-hosting their trading equipment in the same facility as the BLINK matching engine. Members wishing to be co-hosted may do so by contracting directly with CACIL.

XII. Appendix

1. Schedule A – Appointed Clearing & Settlement Agent

Credit Agricole Cheuvreux S.A. is the appointed Clearing & Settlement Agent of BLINK.

2. Schedule B – List of venues

The stocks available for trading on BLINK will be on the following venues:

Primary Markets

- Austria
- Belgium
- Denmark
- Finland
- France
- Germany
- Italy
- UK
- Netherlands
- Norway
- Portugal
- Sweden
- Switzerland

3. Schedule C – Trade Reporting Venue

BOAT is the appointed trade reporting venue.

4. Schedule D – CSD information & Fail/Buy-in schedule

To be updated by Kepler

	Belgium	Denmark	Finland	France	Germany	Ireland	Italy	Netherlands	Portugal	Sweden	UK
CSD Information											
CSD Name	Citibank Int. PLC Custody	CA Cheuvreux NordicAB	CA Cheuvreux NordicAB	CA Cheuvreux SA	CA Cheuvreux SA	Citibank London	CA Cheuvreux ItaliaSim SPA	Citibank Int. PLC Custody	Citibank Portugal	CAC NORDIC AB-VPA	Citibank London
Cheuvreux' ID	EGSP 186	VPDK 13016		EGSP 536	CBF 7281	Crest 175	RRG 0581	EGSP 186	CMVM 29550		Crest 175
Fail and buy-in fees											
Settlement cycle	TD+3	TD+3	TD+3	TD+3	TD+2	TD+3	TD+3	TD+3	TD+3	TD+3	TD+3
Fail management fee:											
Minimum fixed fee per failure in €	15	15	15	15	15	15	15	15	15	15	15
Benchmark interest	Eonia	Dibor	Eonia	Eonia	Eonia	Eonia	Eonia	Eonia	Eonia	Stibor	Sonia
Variable fee on receipt failures	Eonia + 1%	Dibor + 1%	Eonia + 1%	Eonia + 1%	Eonia + 1%	Eonia + 1%	Eonia + 1%	Eonia + 1%	Eonia + 1%	Stibor + 1%	Sonia + 1%
Notification buy-in	ISD + 7	ISD + 15	ISD + 15	ISD + 7	ISD + 4	ISD + 15	ISD + 7	ISD + 7	ISD + 7	ISD + 15	ISD + 29
Start of buy-in	ISD + 8	ISD + 16	ISD + 16	ISD + 8	ISD + 5	ISD + 16	ISD + 8	ISD + 8	ISD + 8	ISD + 16	ISD + 31
Maximum buy-in offer %	120%	150%	150%	120%	200%	100%	120%	120%	120%	150%	120%
Cash settlement %	120%	150%	150%	120%	200%	100%	120%	120%	120%	150%	120%
Administration fee buy-in in €	150 €	150 €	150 €	150 €	150 €	250 €	150 €	150 €	150 €	150 €	150 €

5. Schedule E – Blink Cancellation Form**How to request cancellation or review of a trade:**

1. Contact Cheuvreux International, Trading Support on +44 (0) 207 621 5195
2. Confirm the cancellation/review request via e-mail – ebs.support@keplercheuvreux.com
3. Scan & e-mail or fax this completed form to Cheuvreux International on +44 (0) 207 621 5100, marking it for the attention of Trading Support

CANCELLATION REQUEST FORM

Name of Member	
Stock Name	
Stock Code	
Trade Date	
Trade Time	
Price	
Trade Reference	

Reason for error/review:

Name of person requesting cancellation:

(please print)

Signature:

Contact phone number:

E-mail address:
